



## ANNUAL USE OF CAPITAL SURVEY - 2009

## NAME OF INSTITUTION

(Include Holding Company Where Applicable)

StellarOne Corporation

Person to be contacted regarding this report:	Jeffrey W. Farrar
CPP Funds Received:	\$30,000,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	12/19/2008
Date Repaid <sup>1</sup> :	

RSSD: (For Bank Holding Companies)	2502049
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Charlottesville
State:	Virginia

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	While average balances are down overall, the capital infusion certainly supported the ability to be an active lender for quality credits.
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<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The more significant lending activity has been in residential mortgage and home equity, small business and commercial industrial.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	
<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	

<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	TARP funds have been held in a restricted deposit account at subsidiary bank, serving as a back-up source of capital and liquidity during this highly volatile and recessionary environment.

What actions were you able to avoid because of the capital infusion of CPP funds?

The capital infusion has allowed us to maintain strong capital levels and not have to raise capital in a highly devalued market, which would have been dilutive to our shareholders.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The capital infusion has allowed us to be more aggressive in the modification of residential mortgage loans. We have restructured over \$20 million in mortgages that have performed well post-restructure, with re-default rates currently only 10% of total.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

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